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RUEHBY/AMEMBASSY CANBERRA 2576
RUEHWL/AMEMBASSY WELLINGTON 2700
RUEHKO/AMEMBASSY TOKYO 2039
RUEHUL/AMEMBASSY SEOUL 4638
RUEHBJ/AMEMBASSY BEIJING 5092
RUEHNE/AMEMBASSY NEW DELHI 1887
RUEHKA/AMEMBASSY DHAKA 0989
RUEHLM/AMEMBASSY COLOMBO 1035
RUEHPB/AMEMBASSY PORT MORESBY 3827
RUEHBA/AMCONSUL PERTH 0840
RUEHHK/AMCONSUL HONG KONG 2706
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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 001057

SIPDIS

DEPT FOR FOR DRL/IL (MMITTELHAUSER), EAP/MTS, EAP/MLS
DOL FOR DEPT OF LABOR/ILAB

E.O. 12958: DECL: 05/30/2018
TAGS: [PGOV](#) [ELAB](#) [PREL](#) [PHUM](#) [ID](#)
SUBJECT: CHILD LABOR -- EXPLOITATION IN COTTAGE SHOE
INDUSTRY

REF: STATE 43120

JAKARTA 00001057 001.2 OF 002

Classified By: Pol/C Joseph Legend Novak, reasons 1.4 (b+d).

11. (C) SUMMARY: Labatt recently observed a cottage industry making shoes which employs possibly over a thousand children. Wholesale buyers are affluent Jakarta businesses who distribute the shoes domestically to small markets and mega-malls across Indonesia. There was no evidence that any of the shoes were for export. The children--who are from very poor families--work for long hours under hazardous conditions and for a fraction of adult salaries. In cooperation with the ILO, Labatt is working with a local NGO and the GOI on steps to help address the situation. END SUMMARY.

AN EXPLOITATIVE COTTAGE INDUSTRY

12. (C) Labatt recently came across a clear example of child labor exploitation in Indonesia. While researching the DOL-requested forced and child labor report in the production of goods, Labatt on May 29 visited Ciomas District, a rural community near Bogor city, West Java, 90 minutes drive from Jakarta, to look into reports of the use of child labor in the manufacture of shoes. Andy Sutejo of the local NGO Elsppat--which under an DOL-funded ILO project had worked in six Ciomas villages to evaluate the child worker problem and work on solutions--accompanied Labatt. Elsppat recently had documented 600 children working in six villages in this region, but this cottage industry actually encompasses 20 villages, employing probably over a thousand children, aged 12-17, Elsppat believes.

13. (C) Based on our observation and interviews with household factories, a typical household employs between three and 15 workers, with a few child workers in each household, mostly aged 14 to 17. A few are as young as nine years old, Sutejo said. Some children start work after graduating from elementary school (age 12) but most begin after graduating from junior high (age 14). The average level of education for the Bogor area is sixth grade and the

closest high school from Ciomas is a half hour away by car, so few children can afford to go to high school. The vast majority of the children are from the neighborhood but some accompany adult workers from farther away in search of work. Both boys and girls are employed but mostly boys.

HAZARDOUS CONDITIONS

14. (C) The children and parents we spoke with all would rather the kids continue their education but say that poverty drives the children into work. Children are "helpers" or "apprentices" who make a fraction of an adult worker's income of about USD 90 a month, which is equivalent to the minimum wage for a factory worker working a 40-hour week. Shoe workers in Ciomas, including children, work from dawn to midnight, and much, much longer during religious holiday seasons when consumer demand is high. Some children go to school half days and then work for 12 hours, so have no time to study. Children do not want to return to school once they start working, Elsppat's Andi Sutejo told Labatt.

15. (C) The adult and children workers sit on the floor in small enclosed rooms, cutting shoe material from a mold. They glue the materials together to make sandals and shoes, applying glue with their fingers. Sutejo said sitting all day causes ergonomic injuries. The glue makes workers dizzy and nauseous, possibly eventually causing liver disease, although no health studies have been done. Children can addicted to the fumes, however, and crave it when away from work.

16. (C) Like other cottage industries employing children in Indonesia, the businesses which purchase the products do not

JAKARTA 00001057 002.2 OF 002

directly employ the children and many do not care how the product is produced. Wealthy Jakarta business people contract with each household to produce a certain quota, paying between USD 9 and USD 40 per units of 20 pairs of shoes (or about 25 cents a pair for the cheaper shoes). One person can make 20 to 40 shoes a day. The heads of households hire others to help meet quotas, and children are used as helpers, although they do the same work as adults. Households buy the materials from designated suppliers in the neighborhoods, also controlled by the buyers who jack up the cost of materials by 15 percent, Sutejo said.

DOWNSTREAM SALES

17. (C) The wholesale buyers usually own the homes that are used as factories, having purchased farmland and converted it to shoe production where the families/workers live. Ciomas farmland has been rapidly converted to shoe production over the past several years and farmers into cobblers, Sutejo said. Buyers keep small warehouses in Ciomas and we observed shoes being transported by motorcycles, and trucks to destinations ranging from nearby markets to mall boutiques in Jakarta and elsewhere. Many of the wholesale buyers are wealthy, Sutejo said. Brands range from those linked to household factories to national brands sold domestically. We had no way to confirm if the name brands were counterfeit but they very well could be. We found no evidence that these shoes are exported and no links with international companies.

TRYING TO ADDRESS THE SITUATION

18. (C) With ILO support, Elsppat has had modest success in improving the children's welfare. Sutejo said that once some households are educated on the negative impact of child labor, they stop employing children. Other households now use benches, table and glue applicators; children work in more open spaces and keep the glue containers closed. The project has also provided informal education for children as well as vocational education, although funding has ended. Some children have been taught sewing and are employed in making clothing using a sewing machine, which is healthier

than shoe making. Separately, over the years Elsppat has helped women in the community to start organic farm cooperatives and to market their produce. Elsppat currently has no sources of funding other than what its eleven volunteers contribute from their own income, Sutejo said.

¶9. (C) The ILO/Elsppat project also worked with local officials to try to reduce child labor or to create a healthier environment. However, as Sutejo pointed out, the real solution lies in more economic opportunities for the communities and free education for children (education is free through grade nine but there are other fees which the poor cannot afford). Labatt talked to several junior high students on their way to school, and they all said they intend to finish high school and go to college. Children workers did not respond to similar questions.

¶10. (C) This snapshot of how child workers are exploited in this one community is similar to that in other sectors which we will report in September. These are not large sweatshops. The entrepreneurs or companies do not hire the children directly and the parents believe that the children are helping to support the family, not that they are exploited. Still, the system exploits and hurts children. Much more work needs to be done to educate Indonesian society of the harm of child labor and what society needs to do to ensure that work is done by adults and adults only. Work by DOL-funded ILO projects has been a good start. In cooperation with the ILO, Labatt will continue working with Elsppat and the GOI on steps to help address this situation.
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